

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

☒ Quarterly report pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the quarterly period ended October 31, 2003

☐ Transition report pursuant to Section 13 or 15(d) of the Exchange Act

Commission file number 0-25659

VIRILITEC INDUSTRIES, INC.
(exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11-3447894
(IRS Employer Identification No.)

236 Broadway Ave., Suite 201, Brooklyn, NY 11211
(Address of principal executive offices)

(800) 775-0712 ext. 4144
(Registrant's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

As of October 31, 2003 the Registrant had 9,669,130 shares of its Common Stock outstanding

Transitional Small Business Disclosure Format: YES ☐ NO ☒

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For the Quarter ended October 31, 2003

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

VIRILITEC INDUSTRIES, INC.
BALANCE SHEET
AT OCTOBER 31, 2003
(UNAUDITED)

Assets

Current Assets

Total current assets -

Other Assets -

Total assets 0

Liabilities and Shareholder's Equity

Current Liabilities

Accrued payroll and related benefits 102,080

Accrued professional fees 28,826

Other accrued liabilities 75,000

Short Term Borrowings (related party) 15,631

Total current liabilities 221,536

Shareholder's Equity

Common Stock, \$.0001 par value; authorized 20,000,000 shares;
issued and outstanding - 9,669,130 967

Paid in Capital 345,867

Accumulated deficit (568,370)

Total Shareholder's Equity (221,536)

Total liabilities and shareholder's equity \$ 0

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

VIRILITEC INDUSTRIES, INC.
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2003 AND 2002

	October 31, 2003	Three months ended October 31, 2002
	(Unaudited)	(Unaudited)
Revenue	\$ -	\$ 1,375
Cost of revenue	-	213
Gross profit	-	1,163
Operating expenses:		
Salaries and payroll related	18,839	18,839
Research and development	-	3,600
Travel	-	395
	1,000	550
Rent		
Professional fees	-	387
Consulting	37,500	-
Selling, general and administrative	480	174
expenses		
Total operating expenses	57,819	23,945
Loss before other income (expense)	(57,819)	(22,782)
Other income (expense):		
Interest income (related party)	-	880
Interest expense	-	(125)
Total other income (expense)	-	755
Net Loss	(57,819)	(22,027)
Basic weighted average common shares outstanding	9,669,130	8,169,130
Basic Loss per common share	\$ (0.01)	\$ (0.00)

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

VIRILITEC INDUSTRIES, INC.
STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2003 AND 2002
(UNAUDITED)

	October 31, 2003	Three months ended October 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (57,819)	\$ (22,027)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	-	213
Changes in Operating assets and liabilities:		
Accounts Receivable and other current assets	-	3,665
Accounts Payable and Accrued Liabilities	55,139	17,850
Net cash provided by/(used in) operating activities	(2,680)	(299)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by/(used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from:		
Short term borrowings (related party)	2,573	-
Net cash provided by/(used in) financing activities	2,573	-
Net increase (decrease) in cash and cash equivalents	(107)	(299)
Cash and cash equivalents, beginning of period	107	350
Cash and cash equivalents, end of period	\$ -	\$ 51

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

VIRILITEC INDUSTRIES, INC.
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited financial statements of Virilitec Industries, Inc. have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Article 10 of Regulation S-X. The financial statements reflect all adjustments consisting of normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the periods shown. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

These financial statements should be read in conjunction with the audited financial statements and footnotes thereto included in Virilitec Industries, Inc.'s Form 10-KSB as filed with the Securities and Exchange Commission.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and that effect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - REVENUE RECOGNITION

The company currently recognizes revenue in the form of distributor fees derived principally from commissions received on the sale of product. Revenue is recognized when agent orders are filled by the manufacturer.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition," which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provide guidance for disclosures related to revenue recognition policies. Management believes that Virilitec Industries, Inc.'s revenue recognition practices are in conformity with the guidelines of SAB 101.

NOTE 3 - NET EARNINGS (LOSS) PER SHARE

Earnings (Loss) per common share are calculated under the provisions of SFAS No. 128, "Earnings per Share," which establishes standards for computing and presenting earnings per share. SFAS No. 128 requires the Company to report both basic earnings (loss) per share, which is based on the weighted-average number of common shares outstanding during the period, and diluted earnings (loss) per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive common shares outstanding. Options and warrants are not considered in calculating diluted earnings (loss) per share since considering such items would have an anti-dilutive effect.

NOTE 4 - GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The company reported a net loss of \$57,819 for the three months ended October 31, 2003 (unaudited) and a loss of \$568,370 since inception (unaudited). Management has continued to maintain reporting compliance and seek new expansive areas in product development and marketing. The Company is aggressively pursuing strategic alliances which will bring a cash infusion, restructuring and a forward looking business plan.

PART II. OTHER INFORMATION

Item 2. Plan of Operations

The following discussion should be read in conjunction with the financial statements and related notes that are included under Item 1. Statements made below which are not historical facts are forward-looking statements. Forward-looking statements involve a number of risks and uncertainties including, but not limited to, general economic conditions, our ability to complete development and then market our services, competitive factors and other risk factors as stated in other of our public filings with the Securities and Exchange Commission.

Results of Operations

Three months ended October 31, 2003 and 2002

During the three month period ending October 31, 2003, the Company incurred a loss of \$57,819 compared to a loss of \$22,027 for the same period ended October 31, 2002. The main components contributing to the increase in loss from year to year was a decrease in revenue generated by the Company and an increase in operating expenses in the current year.

Revenues

During the three month period ending October 31, 2003, the Company's revenues were zero compared to \$1,375 for the same period ended October 31, 2002. Revenues were principally commissions received on the sale of product, specifically virility capsules. The decrease in revenue from year to year is due to less demand of capsules sold from year to year.

Operating Expenses

During the three months ended October 31, 2003, the company incurred \$57,819 in operating expenses as compared to \$23,945 for the same period in 2002. This increase was primarily driven in the area of consulting expense.

Material changes in financial condition, liquidity and capital resources

At October 31, 2003, the Company had zero in cash and cash equivalents compared to \$350 for the same period in 2002. The Company has negative working capital of approximately \$221,536 at October 31, 2003. Net cash used in operating activities for the three months ended October 31, 2003 was \$2,680 compared to \$299 for the same period in 2002. Cash used was mainly attributable to the operating expenses related to operations as well as changes in net operating assets and liabilities.

No cash was used in investing activities for the three months ended October 31, 2003 or for the three months ended October 31, 2002.

Net cash provided by financing activities was a net of \$2,573 for the three months ended October 31, 2003 and zero for the same period in 2002. The amount for 2003 is primarily attributable to short term borrowings from related parties which was used to extinguish a loan payable.

The Company is aggressively pursuing strategic alliances which, if successful, is expected to bring a cash infusion and the Company believes that it will be able to repay approximately \$200,000 in liabilities during the third quarter.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K.

a) Exhibits attached include:

- (31) Rule 13a-14(a)/15d-14(a) Certifications
- (32) Section 906 certifications

b) The company filed no Forms 8K during the period covered by this report.

SIGNATURES

In accordance with Section 13 or 15(d) of the 1934 Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

VIRILITEC INDUSTRIES, INC.

/s/ Bella Roth

By: _____
Bella Roth, Chairman of the Board

Dated: November 20, 2003

CERTIFICATION

I, Jacob Roth, hereby certify that:

1. I have reviewed this annual report on Form 10-QSB of VIRILITEC INDUSTRIES, INC.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Small Business Issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Small Business Issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Small Business Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Small Business Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Small Business Issuer's internal control over financial reporting that occurred during the Small Business Issuer's fourth fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Small Business Issuer's internal control over financial reporting; and
5. The Small Business Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Small Business Issuer's auditors and the audit committee of the Small Business Issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting.

Dated: November 20, 2003

/s/ Jacob Roth

Jacob Roth, CEO

CERTIFICATION

I, Moshe Laufer, hereby certify that:

1. I have reviewed this annual report on Form 10-QSB of VIRILITEC INDUSTRIES, INC..;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Small Business Issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Small Business Issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Small Business Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Small Business Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Small Business Issuer's internal control over financial reporting that occurred during the Small Business Issuer's fourth fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Small Business Issuer's internal control over financial reporting; and
5. The Small Business Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Small Business Issuer's auditors and the audit committee of the Small Business Issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting.

Dated: November 20, 2003

/s/ Moshe Laufer

Moshe Laufer, Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of Virilitec Industries, Inc., a Delaware corporation (the "Company"), on Form 10-QSB for the period ended October 31, 2003, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Jacob Roth, the Chief Executive Officer of the Company, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.ss.1350), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 20, 2003

/s/ Jacob Roth

Jacob Roth, CEO

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of Virilitec Industries, Inc., a Delaware corporation (the "Company"), on Form 10-QSB for the period ended April 30, 2003, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Moshe Laufer, the Treasurer of the Company, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C.ss.1350), that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 20, 2003

/s/ Moshe Laufer

Moshe Laufer, Treasurer

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